



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The Panhandle's seasonally adjusted unemployment rate rose from 8.2 percent in July to 8.6 percent in August because high fire danger required hoot owl restrictions on logging and other forest activities, the Galena Mine laid off 26 miners, Tele-Servicing Innovations closed its Smelterville call center, and Center Partners began reducing employment at its Kootenai County call centers. Despite the increase between July and August, the unemployment rate remained below the August 2002 rate of 9.0 percent. Growth in the tourism sector, along with surging construction and real estate activity, helped Panhandle residents find employment during the last year.

Panhandle Table 1 shows the decline in high-paying *Natural Resources & Mining* and *Wood Products* jobs between August 2002 and August 2003. With lumber and plywood prices rising rapidly during recent months, there is good reason to hope that most *Wood Products* manufacturers will be able to hold employment steady for the rest of 2003. After two years of large losses, *Other Manufacturing* jobs have stabilized. Between August 2002 and August 2003, job gains in Bonner County's manufacturing sector offset job losses in Kootenai County's manufacturing sector. *Trade, Transportation, & Utilities* stagnated during the last couple of years. With the economy picking up steam, these sectors should add jobs in the next few months. *Financial Activities*—which includes banks, insurance, and real estate—has benefited from low mortgage rates and the resulting real estate boom of the last two years. *Construction* also benefited from low mortgage rates. With people continuing to move into the Panhandle, *Health Services*, *Other Services*, and *Government*, especially public schools, have expanded employment. The largest source of new jobs between 2000 and 2002, *Professional & Business Services*, lost jobs in recent months as call centers and other business service providers downsized.

AREA DEVELOPMENTS

Benewah County

- Dwaine Sieler recently opened a photography studio in St. Maries. Sieler's extensive experience includes portrait, wedding, event, architectural, and commercial photography.

Panhandle Table 1: Labor Force & Employment

	Aug 2003*	July 2003	Aug 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	93,970	93,240	92,480	0.8	1.6
Unemployed	8,090	7,660	8,300	5.6	-2.5
% of Labor Force Unemployed	8.6	8.2	9.0		
Total Employment	85,880	85,580	84,180	0.4	2.0
Unadjusted					
Civilian Labor Force	95,250	94,790	94,030	0.5	1.3
Unemployed	5,870	5,820	6,130	0.9	-4.2
% of Labor Force Unemployed	6.2	6.1	6.5		
Total Employment	89,380	88,970	87,900	0.5	1.7
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS					
Goods-Producing Industries	13,810	13,640	13,800	1.2	0.1
Natural Resources & Mining	1,550	1,600	1,700	-3.1	-8.8
Construction	5,410	5,270	5,120	2.7	5.7
Manufacturing	6,850	6,770	6,980	1.2	-1.9
Wood Product Manufacturing	2,820	2,680	2,960	5.2	-4.7
Other Manufacturing	4,030	4,090	4,020	-1.5	0.2
Service-Providing Industries	58,810	58,580	57,480	0.4	2.3
Trade, Transportation, & Utilities	13,520	13,390	13,430	1.0	0.7
Wholesale Trade	1,400	1,410	1,390	-0.7	0.7
Retail Trade	10,370	10,280	10,360	0.9	0.1
Utilities	390	390	380	0.0	2.6
Transportation & Warehousing	1,360	1,310	1,300	3.8	4.6
Information	1,210	1,200	1,260	0.8	-4.0
Financial Activities	3,040	3,090	2,910	-1.6	4.5
Professional & Business Services	6,890	6,980	7,270	-1.3	-5.2
Educational & Health Services	7,320	7,070	6,770	3.5	8.1
Leisure & Hospitality	10,270	10,110	9,750	1.6	5.3
Other Services	2,570	2,620	2,390	-1.9	7.5
Government Education	3,920	4,020	3,800	-2.5	3.2
Government Administration	8,880	8,950	8,750	-0.8	1.5
Government Tribes	1,190	1,150	1,150	3.5	3.5

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

EDITOR'S NOTE:

In last month's Panhandle report, a reference was made to *hoot owl* restrictions on logging in North Idaho. In the editing process, that was changed to a reference of logging restrictions imposed by the U.S. Fish and Wildlife Service in some areas of the country where the habitat of the *northern spotted owl* is threatened. The two have nothing to do with each other. In reality, as many North Idaho residents know, *hoot owl* restrictions refer to a provision of Stage II fire restrictions imposed when conditions are extremely dry. The provision reads: "Operating a chainsaw or welder is PROHIBITED between 1 p.m. and 1 a.m. Referred to as *hoot owl* restrictions, you can use these tools after 1 a.m. until 1 p.m.—be sure to monitor the area for one hour after stopping work to make sure there were no sparks that are fanned to flame." (Definition provided by the USDA Forest Service, Coeur D'Alene Interagency Fire Prevention & Information Team.)

The mistake was most regrettable.

- Editor

Bonner County

- Panhandle Forest Products of Cocalalla recently received a \$30,000 National Fire Plan grant. The U.S. Forest Service awards the grants to companies that use small logs with low commercial value in innovative projects. The logs are from harvests to reduce fuel in overgrown forests. Panhandle Forest Products will use the grant to purchase equipment to make colored wood mulch for landscaping. Its other products include fencing and logs for furniture and log homes. Bonner County Economic Development Corporation helped the company secure the grant.
- Smart Plugs Inc., of Sandpoint, has created a spark plug that doesn't spark. Smart Plugs can replace traditional spark plugs in almost any internal combustion engine, making it run more efficiently and cleanly using a variety of fuels. Smart Plug's first commercial market was experimental airplanes because the plugs run without magnetos, a frequent source of engine failures. Now many other commercial and defense applications are being explored. Smart Plug customers include the U.S. Army, NASA, and the Environmental Protection Agency.

Boundary County

- A forest fire ignited west of Bonners Ferry on September 2. The fire grew so large that the U.S. Forest Service dispatched a type 1 national level firefighting team to the Panhandle National Forest for the first time in 35 years. More than 700 firefighters battled the blaze, which burned 3,800 acres and threatened several buildings. It took more than two weeks to bring the fire under control. The cost of fighting the fire exceeded \$2 million. The fire damaged 15 percent of the Myrtle Creek watershed that provides drinking water to 5,000 people. Idaho Governor Dirk Kempthorne declared a state of emergency on September 12 to help the City of Bonners Ferry obtain funding to ensure the quality of its water supply. The city is exploring several options to guarantee the quality of its drinking water.
- Leonard LowenShaw recently began an additional business at LowenShaw's Vineyards Retreat & RV Park at Blue Lake, eight miles south of Bonners Ferry. The new business is an organic winery that eventually could produce 3,000 cases of red and white wine a year. The winery would be the only one in the Idaho Panhandle that grows its own grapes. The winery estimates it will hire 20 people for harvest, and employ four people year-around.

Kootenai County

- The Coeur d'Alene Tribe opened the 18-hole Circling Ravens Golf Course near its Worley casino in August. The casino currently is adding 27,000-square feet to house 400 new video gaming machines, bringing the casino's total number of machines to 1,800. Next door, 100 rooms are being added to the hotel, doubling its size. The expansion projects will be completed early in 2004. Before this summer, the tribe employed about 550 people in Worley; now it employs more than 700 people there.
- Harrison, a town of 270 residents on the southern shore of Lake Coeur d'Alene, recently earned the Gem Community designation, indicating it completed extensive planning for economic development. Among Harrison's eco-

nomic development goals are upgrading the RV park along the city's waterfront and building an addition on the town's historic gymnasium to make it a community center. Landscaping and beautification projects already are underway. During the last two years, several new docks have replaced the old city docks.

- Coeur d'Alene's Dirne Community Health Clinic recently received a \$567,000 grant from the U.S. Department of Health and Human Services to expand its services. The grant will allow the medical clinic to be open five full days a week, rather than the current three days a week. Since it opened in 1989, the clinic has served people without health insurance. From now on, it also will serve Medicare and Medicaid clients. To expand its service, the clinic is hiring 16 people.
- Northwest Specialty Hospital opened in early October at 1593 Polston Avenue in Post Falls. The 47,000-square-foot hospital, which conducts non-emergency surgeries, contains four operating rooms, two procedure rooms, twelve patient rooms, and a recovery room. It employs about 70 people. Construction soon will begin on a 30,000-square-foot medical office building that will be connected to the hospital by a corridor, and should open in the spring.
- North Idaho's low cost of doing business and lifestyle amenities continue to attract new businesses. Aspen Benefits recently moved from Yakima, Washington, to 7600 Mineral Drive in Coeur d'Alene. The manufacturer and marketer of nutritional supplements and skin care products employs 14 people. It expects to double in size every two years. Global Digital Solutions will move its headquarters from southern California to downtown Coeur d'Alene by early 2004. The company makes training videos for the construction industry and documentaries for nonprofit and Christian organizations in 28 different languages. Global Digital Solutions CEO Marcus Veigh is bringing four employees and will hire another five workers.

Shoshone County

- Shoshone Medical Center (SMC) recently began construction of an \$18 million 25-bed hospital to replace its current building on a 20-acre site at Jacobs Gulch in Kellogg. The new 39,000-square-foot hospital will replace the current 45,000-square-foot, 25-bed hospital that was built in 1958. Construction is slated for completion in fall 2004. The new building will reflect SMC's recent emphasis on providing outpatient services and emergency-room care.
- Silver Mountain Resort in Kellogg recently began a \$500,000 project to upgrade the operating system of its famous gondola. The upgrade will be completed in time for the ski season, which normally starts around Thanksgiving weekend.

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